

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

DEPOSIT AGREEMENT

NAME(S) OF DEPOSITOR(S)		SOCIAL SECURITY OR IRS TAX NO.
AGENCY NAME AND ADDRESS	NAME AND ADDRESS OF BANK, SAVING AND LOAN OR CREDIT UNION <i>(Including ZIP CODE)</i>	
COUNTY OF RESIDENCE	DATE OF DEPOSIT	ACCOUNT NUMBER <i>(If used)</i>

THIS AGREEMENT is made on the date indicated above, between the United States of America, acting through the United States Department of Agriculture, herein called the "Government," the above-named Depositor(s), called the "Depositor," and the above named Bank, Savings and Loan, or Credit Union, called the "Financial Institution."

In consideration of loans or other advance(s) of funds made or insured by the Government and the depositing in the Financial Institution, to the credit of the Depositor in the account established pursuant to this agreement, of moneys, derived from such loans or other advance(s) of funds, or moneys otherwise obtained by the Depositor, it is agreed as follows:

1. The Depositor assigns, transfers, and pledges to the Government the above mentioned account and deposit(s), made before or after this agreement, and conveys to the Government a security interest in all money deposited in this account, as security for the repayment of any and all indebtedness now or later owed by the Depositor to or insured by the Government, and for the performance of the obligations and agreements of the Depositor in connection with such advance(s) or indebtedness.
2. No part of such deposit(s), account or money shall be withdrawn by the Depositor and no withdrawal shall be permitted by the Financial Institution except on the order of the Depositor and the counter-signature of a duly authorized representative of the Government: Provided, however, that at any time upon written demand or order by the Government the Financial Institution shall pay over the balance then on hand, or any part of the balance demanded, for application on the indebtedness or as a return of grant funds to the Government or for protection of the Government's lien or security or to accomplish the purpose for which such advances were made: Provided, further, that the death, disability, or insolvency of the Depositor shall not impair the power of the State Director to demand or order such withdrawal.
3. The Financial Institution agrees that it will not assert any right of offset, except service charges, with respect to the funds deposited pursuant to this agreement by reason of any indebtedness or claim now or later owed to or acquired by it.
4. The Financial Institution shall be under no obligation with respect to the expenditure of funds after their withdrawal from the Financial Institution in accordance with the provisions of this agreement. Upon making payment pursuant to an order or check duly executed by the Depositor and the countersigning officer, or pursuant to the written demand or order of the State Director, the Financial Institution shall be discharged from all obligations with respect to the funds so released.

5. The Financial Institution further agrees that, at the end of each _____ period it will forward a statement to the Government Office at the address shown above for review by the Government. If the checking account statement does not include sufficient information to reconcile the account, (the name of the payee(s) or the check number(s) and the amount of each check), the original cancelled check(s) or either a microfilm copy or other reasonable facsimile of the cancelled check(s) must be provided with the statement for reconciling the account.
6. The Financial Institution further agrees that if it did not return the original cancelled check(s) to the Government with the statements, and the Government has a need for the original cancelled check(s), the Financial Institution, upon request by the Government, will furnish to the Government the requested original cancelled check(s) or a certified microfilmed copy or other reasonable certified facsimile of the cancelled check(s) in lieu of the original cancelled check(s). The Financial Institution agrees to provide this service to the Government with no fees being assessed to the Agency or to the Depositor's account for the service.

IN WITNESS WHEREOF, the parties have entered into this agreement as of the day and year first written above.

FINANCIAL INSTITUTION _____

UNITED STATES OF AMERICA,

BY _____
(Title)

BY _____

DEPOSITOR _____

(Title)

DEPOSITOR _____

(Agency)

UNITED STATES DEPARTMENT OF AGRICULTURE

NOTE TO FINANCIAL INSTITUTION: *Please return signed original and copy, along with copy of deposit slip to the office address listed on the front of this form.*

Used by Agency staff to establish supervised bank accounts in connection with loans and grants.

(see reverse)

<u>PROCEDURE FOR PREPARATION</u>	:	RD Instruction 442.11. FSA Transferred Instructions 1941-A and 1945-D.
<u>PREPARED BY</u>	:	Loan approval official.
<u>NUMBER OF COPIES</u>	:	Original two copies.
<u>SIGNATURES REQUIRED</u>	:	Borrower, official of financial institution, loan approval official or authorized subordinate, on original and two copies. When a joint survivorship supervised bank account is established for an FO or RH case, the borrower's spouse will also sign the form.
<u>DISTRIBUTION OF COPIES</u>	:	Original to borrower's case folder; copy to borrower; copy to financial institution.